

YEAR 2005

ANNUAL REPORT

OF THE

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PUBLIC SERVICE
COMMISSION

NAME Treeline Springs, LLC

LOCATION Moonlight Basin in Big Sky, MT

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING Dec 31, 2005

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

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REPORT OF

TreeLine Springs LLC
(Exact Name of Utility)

PO Box 1369, Ennis, MT 59729
(Address) (City, State, Zip Code)

For Year Ended Dec. 31, 2005

Date Utility First Organized Jan. 1, 1999

Telephone Number 406-682-6666

Location where books and records are located 2 Hot Springs Loop Rd., Ennis, MT 59729

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Kevin Germain Chief Engineer	PO Box 1369 2 Hot Springs Loop Rd Ennis, MT 59729	XXXXXXX
Person who prepared this report:	Wayne Shouse Accounting	PO Box 1369 2 Hot Springs Loop Rd. Ennis MT 59729	XXXXXXX
Officers & Managers:			\$
			\$
			\$
			\$
			\$
			\$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Moonlight Basin Ranch LP	100%	PO Box 1369 Ennis MT 59729	\$ 24,738
			\$
			\$

INCOME STATEMENT

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	81,578	66,482
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		19,000
<i>Prior period depreciation adjustment</i>		
TOTAL GROSS REVENUE	81,578	85,482
Operation and Maintenance Expense	118,832	54,858
Depreciation Expense	7,028	6,440
Taxes Other Than Income		
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	125,860	61,298
NET OPERATING INCOME (LOSS)	(44,282)	24,184
Other Income:		
Non-Utility Income		
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
NET INCOME (LOSS)	(44,282)	24,184

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	CURRENT YEAR	PREVIOUS YEAR
Assets:		
Utility Plant In Service	217,640	217,640
Accumulated Depreciation and Amortization	(41,236)	(34,208)
Net Utility Plant		
Cash	369	3,401
Customer Account Receivable	753	3,046
Other Assets (Specify)		
Total Assets	177,526	189,879
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings		
Proprietary Capital	171,092	186,695
Total Capital		
Long Term Debt		
Accounts Payable	6,434	3184
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	177,526	189,879

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	(34,208)	(46,768)
Credits During Year	(7,028)	(6,440)
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits	(41,236)	(53,208)
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
prior period depreciation adjustment		19,000
Balance End of Year	(41,236)	(34,208)

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate "Cash or Property"	Amount
n/a		
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

n/a

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		
Changes during year (Specify):		
Balance end of year		

n/a

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year		
Changes during year (specify):		
Balance end of year		

Cash contribution - MBRLP 184,695
Cont capital (net loss) 2005 28,679
(44,282)

171,092

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Total			

n/a

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements	110,000			110,000
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs	42,640			42,640
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	65,000			65,000
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	217,640			217,640

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements	30	%	0.333%	18,557		3,584	22,141
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs	30	%	0.333%	4,612		1,406	6,018
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	30	%	0.333%	11,039		2,038	13,077
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
Totals					34,208		7,038	41,236

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	
Purchased Water	12,760
Purchased Power	
Fuel For Power Production	
Chemicals	
Materials and Supplies	80,136
Contractual Services	24,738
Rents	
Transportation Expense	
Insurance Expense	6666
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense	532
Total	118,832

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, individual or organization of any kind whatever, amounting to \$500. or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

[illegible]

SOURCES OF WATER SUPPLY

Surface Water: River 5 Lake 0 Stream 0 Impounding Res. 0
 Ground Water: Springs No. 0 Shallow Wells No. 0 Deep Wells No. 2

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
6"	3,800	0	3,800	0	0	3,800	3,800
8"	16,340	6,350	22,690	0	0	22,690	22,690
10"	3,400	0	3,400	0	0	3,400	3,400
Total	23,540	6,350	29,890	0	0	29,890	29,890

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 318,000
 Number of Standpipes 0 Capacity in Gallons 0
 Method of Purification none

SERVICES AND METERS

Services
 1/2 in. 0 5/8 in. 0 1 in. 223 1 1/2 in. 4 2 in. 8 3 in. 0 4 in. 4 6 in. 1 _____
 Meters
0 0 0 0 0 0 0 0 _____

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	0	143	143	0	169	169	+26
Commercial	0	1	1	0	3	3	+2
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	34	34	0	41	41	+7
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	0	178	178	0	213	213	

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 12,462,280 gals.
 Maximum Water obtained all methods during any one day 124,200 gals.
 Minimum Amount of Water obtained all methods during one day 5,739 gals.
 Total Amount of Water passed through customers meters during year _____ gals.
 Range of ordinary pressure on mains 50 lbs. to 120 lbs.
 Range of fire pressure in mains 50 lbs. to 120 lbs.

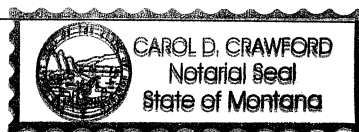
STATE OF MONTANA)
County of Madison)

We, the undersigned, on our oath do severally say that the foregoing return the TreeLine Springs LLC, water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

Gayme Shouse, Accounting

Subscribed and sworn to before me this 28th day of April, 2006.

Carol D. Crawford



Notary Public for the State of Montana
Residing at Ennis, MT
My Commission Expires Jan. 27, 2007